



June 27, 2011

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Chairman Genachowski:

As President and CEO of Crown Media Family Networks, home to Hallmark Channel and Hallmark Movie Channel, I fully support the proposal to the FCC, set forth by Cablevision Systems Corporation, to "update the good faith standard for retransmission consent negotiations by requiring broadcasters to charge non-discriminatory and transparent rates without tying consent to the carriage of other programming services or entry into ancillary deals."

As a fully independent program provider, with no ownership by a major broadcaster or MVPD, Crown Media Family Networks is particularly vulnerable to the negative impact arcane retransmission rules have on our business and on our ability to thrive in the marketplace under current conditions. In short, the future of Hallmark Channel and Hallmark Movie Channel are compromised by out of date regulations that could effectively eliminate the high value, unduplicated, family oriented choices we offer, to the detriment of millions of American consumers -- in our case, to the over 87 million viewers who receive Hallmark Channel and to the over 41 million who enjoy Hallmark Movie Channel.

Cablevision is accurate in its astute assessment of the negative impact outdated retransmission consent rules have on the industry. As the cost demands by broadcasters exponentially increase to the cable operator and are now combined with aggressive moves to bundle services, operators are forced to carry cable channels owned by the broadcaster that are of little interest to viewers, and often those costs are transferred to the consumer. In turn, with limited financial resources and bandwidth remaining, operators must reduce their programming costs and therefore look at independent content providers like us, who have little to no leverage, to squeeze off their system completely or to unreasonably reduce license fees and/or terms and conditions.

Our attempt to compete in this environment is increasingly difficult, as our ability to develop distribution and derive fair market value from our subscriber fees to invest in more, original programming, is further hindered. Like other independents, our ability to fairly compete is virtually vanishing as the broadcasters unfairly steal a fair share of fees on the back of antiquated retransmission laws, once earned by worthy independents.

This summer, Hallmark Channel will celebrate its 10th year. The 100 year-old Hallmark brand is unparalleled and our channels are two of the only truly family friendly networks remaining on television -- a choice many consumers say they want and a choice they should have. In fact, this year alone, Hallmark Channel will air more than 350 hours of original premiere programming suitable for and enjoyed by every member of the family, including original movies and specials to classic series and a lifestyle block of programming, which is home to the Emmy award-winning "The Martha Stewart Show" and master chef Emeril Lagasse. Hallmark Movie Channel is home to the celebrated and adored Hallmark Hall of Fame movie library and we have aggressive original programming plans for this channel as well.

In the 2011 Beta Satellite Dish Study, Hallmark Channel ranks highly against the 24 major general entertainment networks (excluding sports, news, documentary/informational and non ad-supported networks), including:

- The #1 favorite channel among total polled (unaided mention)
- The #1 as a favorite channel among women (unaided mention)
- #1 in percentage of viewers who say they are Very Satisfied with the network
- #1 in perceived value among women.

Hallmark Channel has ranked #1 among all major ad-supported cable networks in Prime Time Households "Length of Tune" for the last 24 straight Quarters, meaning our viewers come to Hallmark Channel and stay with us longer than any other network.

Despite our dramatic successes with consumers, some cable operators will be forced to drop independents with similar success stories and high consumer demand purely due to the misuse of these arcane retransmission rules. This is a choice cable operators shouldn't have to make in any free market system and it is one that is increasingly coming at the expense of the American consumer. The FCC has the authority to overhaul retransmission consent regulations and define good faith negotiations as outlined in Cablevision comments to the FCC. We urge immediate action, as without some type of intervention, independent networks like Hallmark will soon disappear from the television landscape.

Sincerely,



William J. Abbott  
President & Chief Executive Officer